



DEPARTMENT OF ADMINISTRATION
VICTIMS OF CRIME PROGRAM
www.voc.nv.gov

March 19, 2009

To: Assemblyman Bernie Anderson, Chairman
Assembly Judiciary Committee

From: Bryan Nix, VOCP Coordinator

Re: **AB 283**, VOCP Statement in Support

Bill Sponsor: Assemblyman Mark Manendo

Committee Hearing Date: Monday, 03-23-09

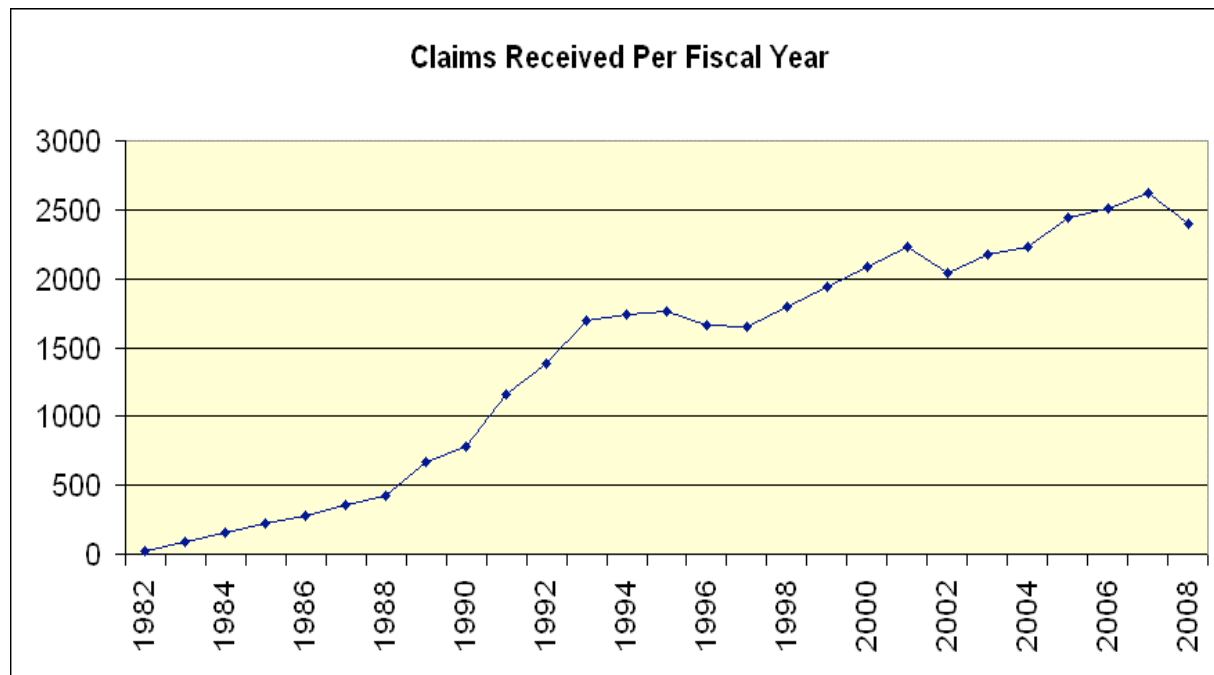
Section 1 of AB 283 deletes section 3 of NRS 217.200, which currently limits Victims of Crime Program compensation to a maximum of \$50,000 per claim.

This cap on victim of crime compensation limits the ability of the VOCP to provide meaningful assistance to victims of catastrophic injuries. There is no reason to continue to maintain a statutory cap on victim payments after 30 years of program experience and growth.

The history of the VOCP reveals the statutory cap on claims was an original program requirement from the date the VOCP was first enacted by the Legislature in 1969. At that time the VOCP was a new idea with no history. No one knew how many claims would be filed and how much each claim would cost. The claim cap was necessary since data was not available concerning the fiscal impact of the new program.

From its enactment, until 1989 the VOCP had no staff. The claims were handled out of the Budget Office of the Department of Administration. Claims were held open until all the medical bills and costs were accumulated, and then were paid off on a percentage based on available revenues pursuant to NRS217.260. This outdated method for paying claims is still required by the arcane provisions of this statute, which should be repealed this session.

In 1989 the Legislature fully funded a staff of 6 employees to oversee a growing caseload of VOCP claims. The following chart shows the VOCP caseload growth since 1982. This chart includes applications for FY09 YTD.



In 1991 the Legislature increased the claim cap from its original \$15,000 to \$25,000. In 1995 and 1997 the claim cap was increased to its current level of \$50,000. It is now time to remove the statutory cap, once and for all, and allow the BOE to set policy on claim limits.

The removal of this cap on compensation would leave authority to determine claim limits and claim payments with the Board of Examiners, who govern the VOCP. The BOE sets the policies and standards for payment of claims pursuant NRS 217.230 and NRS 217.150. In fact the BOE established a claim limit of \$35,000 several years ago. There is no plan to change that limit except in catastrophic injury cases. Policies pending approval by the BOE allow for an increase in benefits for catastrophic injuries from the BOE cap of \$35,000 up to the statutory cap of \$50,000.

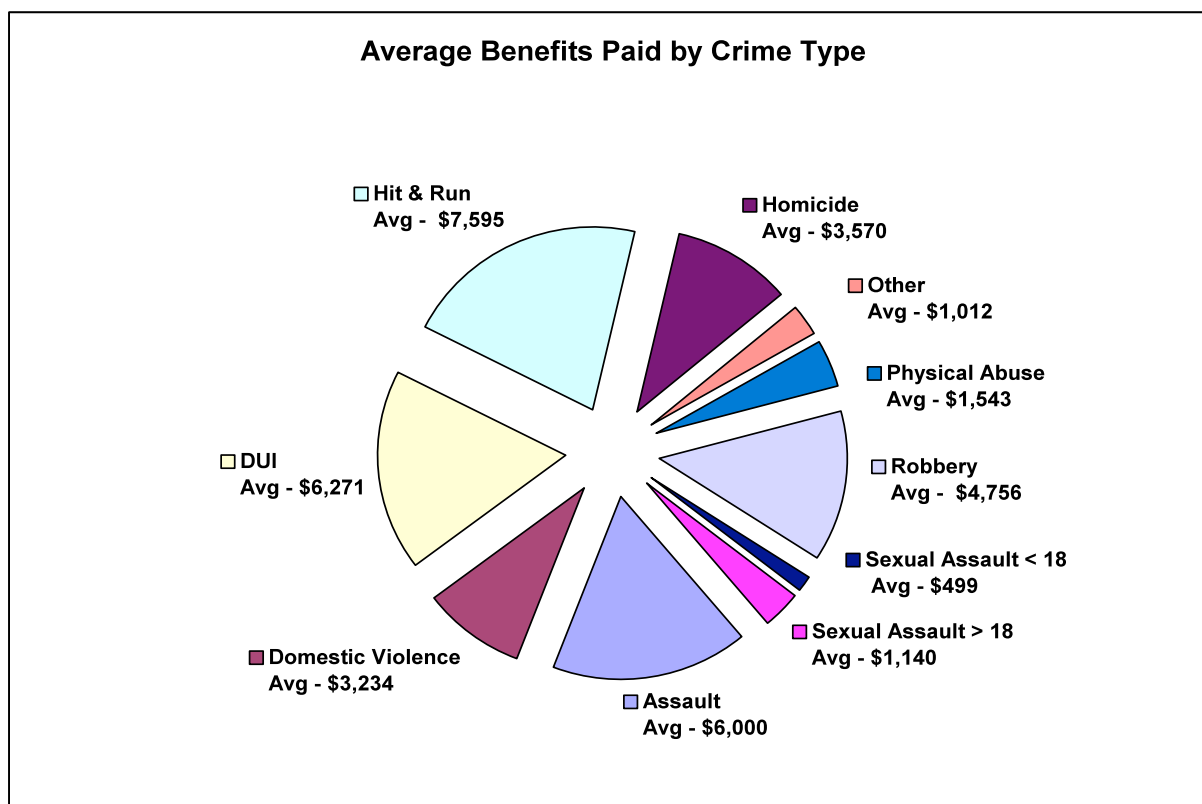
Current policies address claim payment issues and priorities. The policies adopted by the BOE have guided the VOCP in the payment of all claims and has allowed the VOCP to stretch limited resources to satisfy claims far exceeding program revenues.

Removing the statutory cap would give the BOE the flexibility to establish programs to assist victims of crimes resulting in catastrophic injuries such as paraplegia or quadriplegia, loss of multiple limbs, blindness etc. The legislative cap on benefits is unnecessary, and limits the BOE from providing adequate support for certain victims.

The expected number of claims that would meet the definition of catastrophic injury is very small. The VOCP history shows 1 or 2 claims per year meet the criteria discussed here. The VOCP is financially equipped to handle such claims and could easily handle many more than that, without impacting a single claim or benefit payment to any other

victims.

The following chart shows the average claim cost for all applications by crime type. Most claims are resolved for significantly less than the claim cap.



This chart shows that the highest claim costs occur in crimes involving vehicles such as DUI and Hit and Run, which are generally DUI related.

The VOCP has evolved into a very different program since it was a budget function 30 years ago. Just since the recent adoption of claim payment policies the VOCP has made significant progress in identifying and improving claim processing and bill paying capacities.

In 2006 the Legislative Auditors conducted a performance audit of the VOCP, reviewing claims for fiscal years 2004 to 2006. The auditors completed their audit in January 2007. Their findings noted the backlog of about \$3.8 million in unpaid hospital bills, and delays in paying approved bills.

These issues were well known to the VOCP and in fact the VOCP pointed these issues out to the auditors, while explaining our nearly completed plans to adopt updated policies to allow for paying claims at reduced rates, without sacrificing direct payments to victims as happens under a strict and narrow reading of NRS 217.260 as suggested by the auditors.

Updated policies were adopted by the BOE in March 2007. These policy changes

provided a mechanism for the payment of accumulated medical bills, that the VOCP had not yet paid due to inadequate funding in prior fiscal years and changes to the claims payment policies.

Also of historical significance, the VOCP was transitioning from a typical, paper based file and claims processing system, to a paperless, electronic claims management system, during this period. This transition resulted in a host of policy and procedural adjustments and transitions.

The VOCP now has a fully implemented, Internet based, claims management system that has radically streamlined the claims processing and management system for all VOCP files.

The following chart shows how the \$3.8 million in accumulated hospital claims were paid in FY08 after new policies were adopted by the BOE:

Victim Compensation Awarded, FY 2008

Benefit Type	Victims Crime Bills	Paid after Bill Review	Savings
Physical Therapy / Chiropractic	\$348,175.56	\$199,784.91	\$148,390.65
Mental Health Counseling	\$446,263.24	\$335,815.46	\$110,447.78
Survivor Benefit	\$50,302.12	\$50,302.12	\$0.00
Dental Care	\$899,216.69	\$632,483.93	\$266,732.76
Discretionary *	\$235,661.14	\$235,211.63	\$449.51
Funeral Expense	\$215,022.61	\$210,705.65	\$4,316.96
Lost Wages	\$965,679.60	\$964,309.94	\$1,369.66
Hospital	\$27,681,110.62	\$1,872,828.79	\$25,808,281.83
Medical	\$7,934,031.17	\$2,450,552.66	\$5,483,478.51
Prescription Medicine	\$148,702.67	\$147,076.43	\$1,626.24
Vision	\$213,785.26	\$140,755.16	\$73,030.10
TOTALS	\$39,137,950.68	\$7,239,826.68	\$31,898,124.00
• Discretionary includes: relocation, home care, crime scene cleanup, extended counseling, etc.			

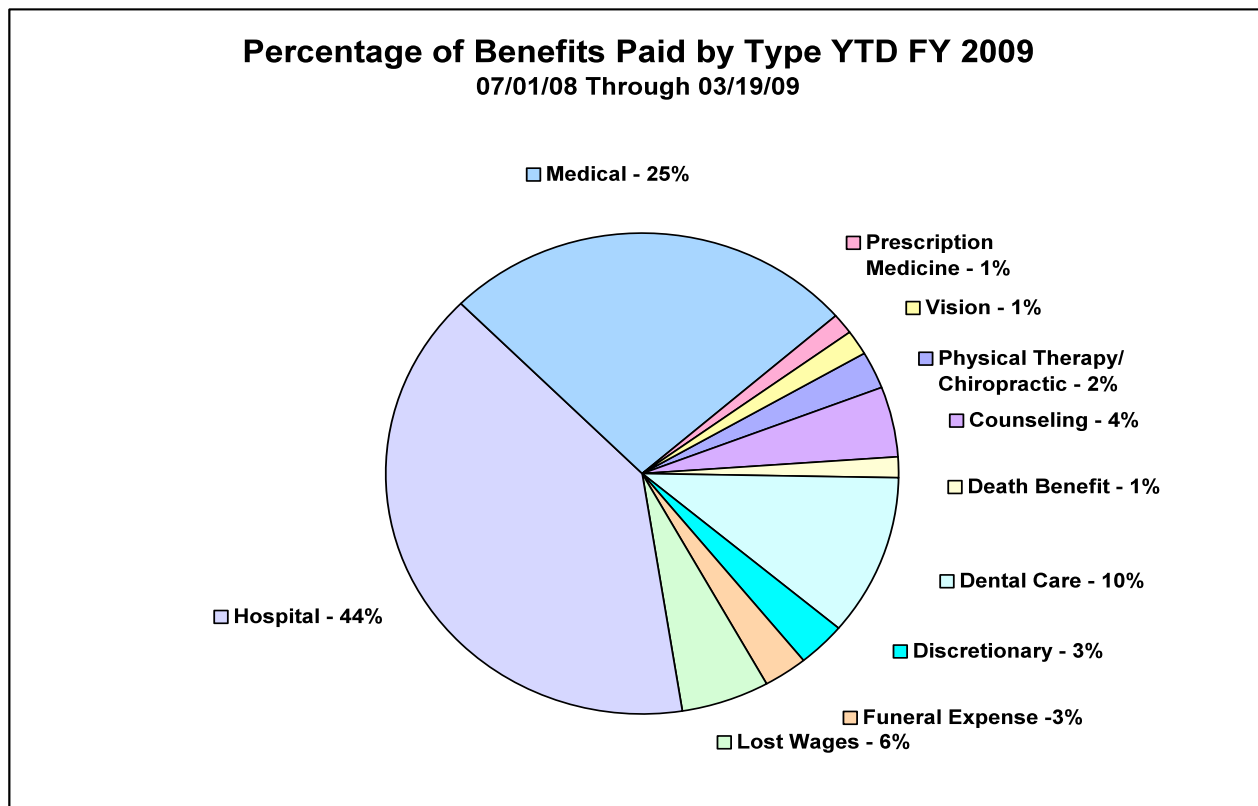
As this chart depicts, the VOCP satisfied over \$39 million in victim bills with just over \$7 million in funding in FY 2008. All hospitals and other providers accepted the VOCP payments in full satisfaction of the victim's obligations to the affected providers.

Once the old claims were paid off, all subsequent claims have been paid at 100% of the approved amount. The following chart shows FY 09 YTD, VOCP payments of just under \$5 million satisfying nearly \$15 million in victim claims.

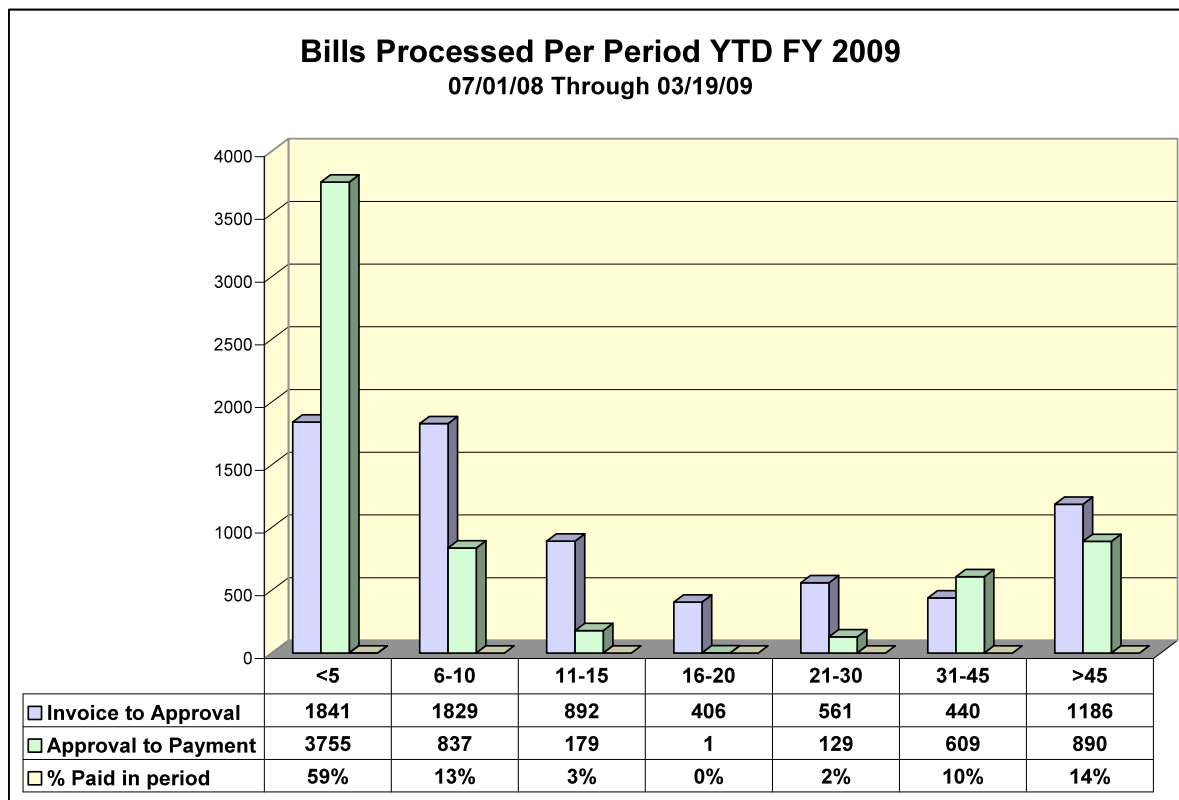
Victim Compensation Awarded, YTD FY 2009

Benefit Type	Victims Crime Bills	Paid after Bill Review	Savings
Physical Therapy/Chiropractic	\$205,418.77	\$124,126.58	\$81,292.19
Mental Health Counseling	\$316,991.54	\$238,927.20	\$78,064.34
Survivor Benefit	\$78,394.00	\$78,394.00	\$0.00
Dental Care	\$809,828.04	\$543,726.85	\$266,101.19
Discretionary	\$155,460.85	\$153,801.38	\$1,659.47
Funeral Expense	\$143,430.85	\$143,430.85	\$0.00
Lost Wages	\$295,696.32	\$294,363.32	\$1,333.00
Hospital	\$10,483,633.27	\$2,033,536.80	\$8,450,096.47
Medical	\$2,144,571.82	\$1,325,803.10	\$818,768.72
Prescription Medicine	\$78,456.22	\$75,274.35	\$3,181.87
Vision	\$99,419.83	\$81,628.54	\$17,791.29
TOTALS	\$14,811,301.51	\$5,093,012.97	\$9,718,288.54

The following chart shows how these benefits were paid by type:



The audit noted that 3 years ago (the time period reviewed by auditors), it took an average of 79 days to pay claims once they were approved. The next charts shows FY09 YTD, time to approve bills from date of receipt, and time to pay the bill after it has been approved.



This chart shows that 72% of all victim bills are paid in 10 days or less from the date the bill is approved.

The policies adopted by the BOE also allowed the VOCP to develop a state of the art, paperless, claims management system, VOC-NET, that allows the VOCP to process claims and bills in record times. As the following chart shows the average time to approve a claim has been reduced from 86 days to 2 days. NRS 217.110 allows up to 60 days.

Time to Award Compensation, FY 2008 & YTD FY 2009

Fiscal Year 2008

Under 15 Days	16 – 30 Days	31 – 45 Days	46 – 60 Days	61 – 90 Days	91 – 120 Days	Over 120 Days	Average # of Days
522	207	149	160	331	210	496	86.33

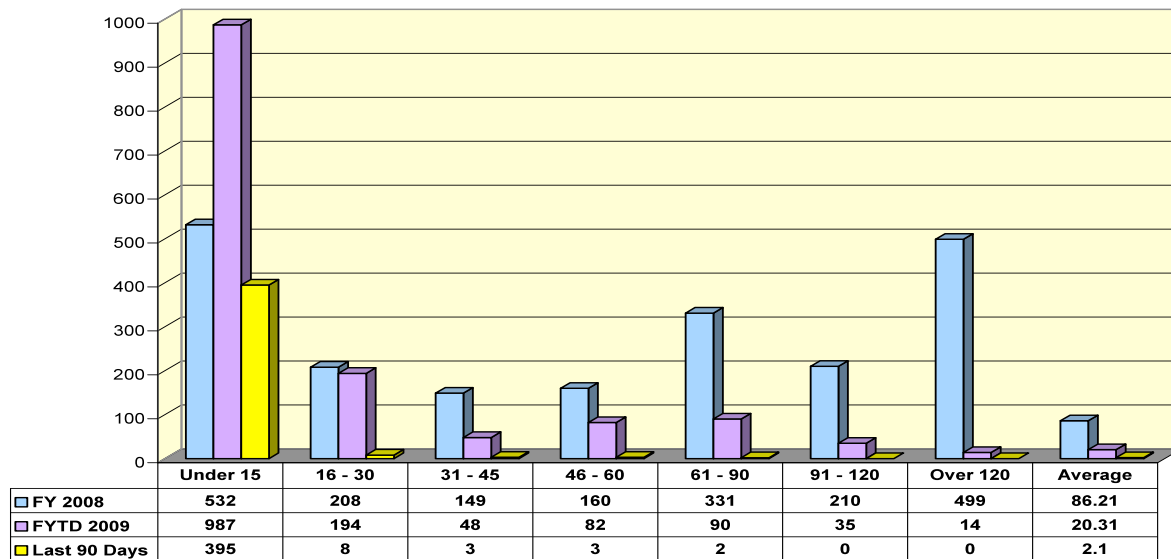
Fiscal Year 2009 YTD - 07/01/08 Through 03/19/09

Under 15	16 - 30	31 - 45	46 - 60	61 - 90	91 - 120	Over 120	Average
987	194	48	82	90	35	14	20.31

Last 90 Days - Dec 2008 to Mar 2009

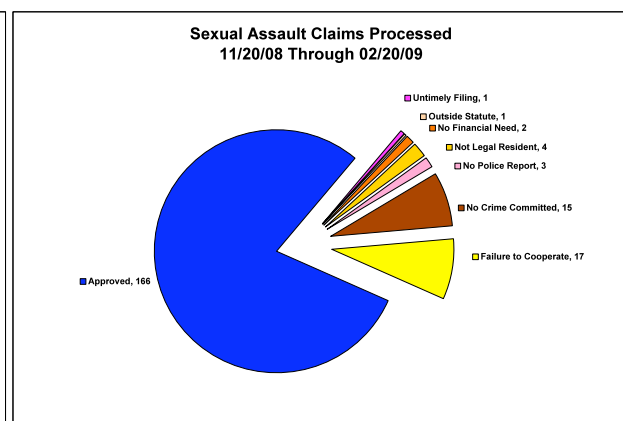
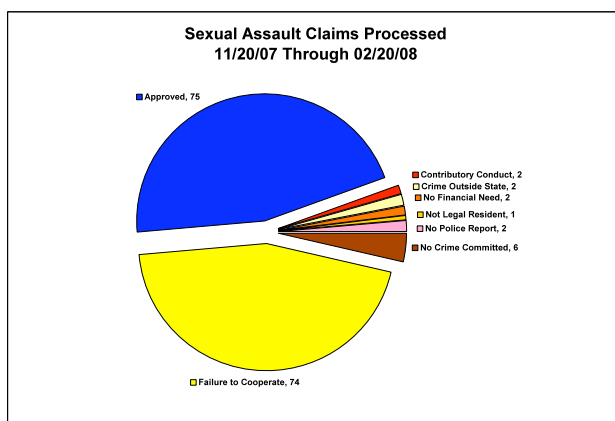
Under 15 Days	16 – 30 Days	31 – 45 Days	46 – 60 Days	61 – 90 Days	91 – 120 Days	Over 120 Days	Average # of Days
395	8	3	3	2	0	0	2.1

**Number of Days from Acceptance
of Completed Application to Decision**



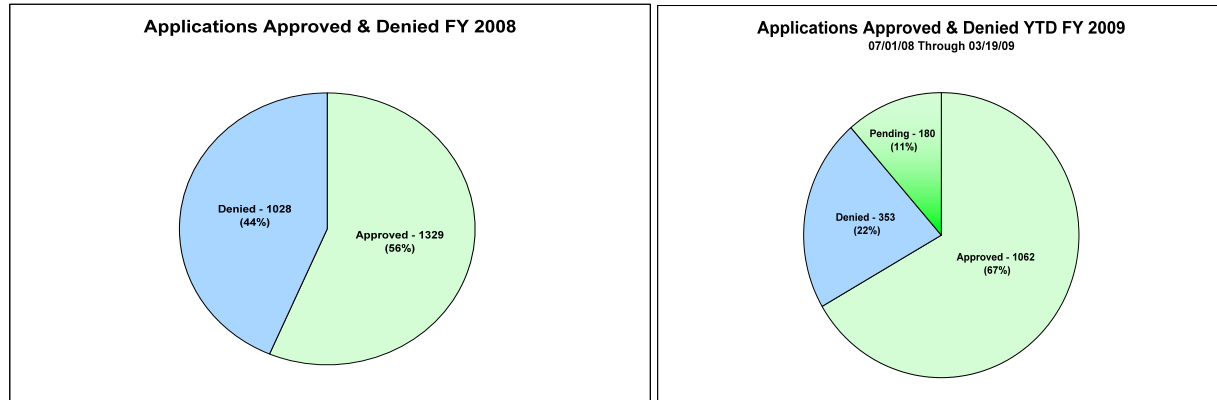
This chart shows that in the last 90 days virtually all applications were approved or denied in 2 days or less.

New policies pending adoption by the BOE, and new procedures followed by the VOCP for the last several months, have reduced claim denials in sexual assault and domestic violence claims and improved definitions of contributory conduct for all claims where issues are raised under NRS 217.180. The following charts show data for the same quarter in FY08 compared to the same quarter in FY09. This chart clearly shows the impact of faster claims processing policies and procedures in sexual assault cases.



Procedural and policy changes have resulted in more claims being accepted in all cases. The improved claims processing procedures have virtually eliminated claim denials for “failure to cooperate”, which is the category for denials where victims did not complete the application process.

These charts show a significant increase in application approvals in all crime categories from FY08 to FY 09 YTD.



Conclusion

In summary the VOCP supports the removal of the statutory cap on victim of crime compensation claims. This would allow the VOCP to establish programs to assist grievously injured victims of DUI and other crimes. The financial impact of such programs is anticipated to be minimal on the VOCP, but significant in its impact on individual victims suffering catastrophic injuries. The Board of Examiners provides substantial oversight of the VOCP and is equipped to adopt policies to implement programs and review the implementation and effectiveness of those policies and programs.